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October 13, 2023

**VIA ELECTRONIC FILING**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor  
Harrisburg, PA 17120

**RE: Docket No. A-2021-3024058 – Application of Pennsylvania-American  
Water Company to Acquire the Wastewater System Assets of the  
Borough of Brentwood**

Dear Secretary Chiavetta:

We are counsel to the Borough of Brentwood (the “Borough”) in the above-referenced matter, and are submitting, with this letter, the Borough’s Pre-Hearing Memorandum.

This document is being served via electronic mail on all parties of record. This document was also filed electronically with the Public Utility Commission on this date.

Thank you.

Very truly yours,

A handwritten signature in blue ink that reads "S. Melillo".

Sydney N. Melillo

CC: All parties of record  
Thomas Wyatt, Esq.  
Matthew S. Olesh, Esq.

**CERTIFICATE OF SERVICE**

I, Sydney N. Melillo, Esq., hereby certify that I have served a true and correct copy of the foregoing document upon the following parties via electronic mail:

The Honorable The Honorable Katrina  
Dunderdale, Administrative Law Judge  
Nicholas Miskanic, Legal Assistant  
Pennsylvania Public Utility Commission  
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*/s/ Sydney N. Melillo*

Dated: October 13, 2023

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Application of Pennsylvania-American Water : Docket No. A-2021-3024058  
Company under Section 1102(a) of the Pennsylvania :  
Public Utility Code, 66 Pa C.S. § 1102(a), for :  
approval of (1) the transfer, by sale, of substantially :  
all of the Borough of Brentwood’s assets, properties :  
and rights related to its wastewater collection and :  
conveyance system to Pennsylvania-American Water :  
Company, and (2) the rights of Pennsylvania- :  
American Water Company to begin to offer or :  
furnish wastewater service to the public in the :  
Borough of Brentwood, Allegheny County, :  
Pennsylvania :

**PREHEARING MEMORANDUM OF THE BOROUGH OF BRENTWOOD**

Pursuant to the Prehearing Conference Order issued on September 15, 2023, the Borough of Brentwood (“Brentwood” or the “Borough”), by and through its attorneys, Obermayer Rebmann Maxwell & Hippel LLP, submits this prehearing memorandum in advance of the telephonic prehearing conference scheduled for Tuesday, October 17, 2023 in the above-captioned matter.

**I. Background**

These proceedings concern the application of Pennsylvania-American Water Company (“Pennsylvania-American”) for approval to acquire the Borough’s wastewater collection and conveyance system (the “System”) pursuant to Sections 507, 1102 and 1329 of the Pennsylvania Public Utility Code (the “Application”).

By Secretarial Letter dated July 20, 2023, the Public Utility Commission (the “Commission”) conditionally accepted Pennsylvania-American’s Application. On September 14, 2023, the Commission, by Secretarial Letter, finally accepted the Application for filing and assigned Administrative Law Judge Katrina L. Dunderdale to preside over the proceeding.

An initial telephonic prehearing conference for Pennsylvania-American's Application was scheduled for Tuesday, October 17, 2023. Additionally, pursuant to the Prehearing Conference Order issued by Judge Dunderdale, all parties must file and serve their prehearing memoranda on or before 12:00 p.m. Monday, October 16, 2023.

On October 2, 2023, the Borough filed its Petition to Intervene to adequately address the interests of Brentwood in this proceeding as the owner and operator of the System. On October 11, 2023, the Allegheny County Sanitary Authority ("ALCOSAN") filed a Petition to Intervene, to which the Borough has no objection.

## **II. Issues**

### **A. Approval of Application**

Issue: Should the Commission approve Pennsylvania-American's Application to (i) acquire Brentwood's System and (ii) begin to offer, render, or furnish wastewater service to the public in the Borough of Brentwood, Allegheny County?

Brentwood's Position: The Commission should issue a Certificate of Public Convenience approving the acquisition because Pennsylvania-American's acquisition of Brentwood's wastewater system assets is necessary or proper for the service, accommodation, convenience or safety of the public.

### **B. Ratemaking Rate Base**

Issue: Pursuant to Section 1329 of the Code, what is the ratemaking rate base of the wastewater system assets of the Borough?

Brentwood's Position: Pursuant to Section 1329 of the Code, Pennsylvania-American shall be permitted to use the \$19,364,443 purchase price for ratemaking rate base purposes for the acquired assets.

**C. Validity of Contracts**

Issue: Pursuant to Section 507 of the Code, are the municipal agreements and the Asset Purchase Agreement dated December 22, 2020, and First Amendment to the Asset Purchase Agreement dated March 2, 2023, between Pennsylvania-American and Brentwood set forth in the Application valid, reasonable, and otherwise lawful?

Brentwood's Position: Yes. The municipal agreements and the Asset Purchase Agreement dated December 22, 2020, and First Amendment to the Asset Purchase Agreement dated March 2, 2023, between Pennsylvania-American and Brentwood set forth in the Application are valid, reasonable, and otherwise lawful under Section 507 of the Code.

**III. Settlement**

The Borough is willing to address settlement of all or part of this proceeding with the other parties.

**IV. Witnesses and Remote Participation Request**

The Borough provided written direct testimony from the following witnesses with Pennsylvania-American's Application:

George Zboyovsky  
Borough Manager for Brentwood  
3735 Brownsville Road  
Brentwood, PA 15227

Harold Walker, III, Gannett Fleming Valuation and Rate Consultants, LLC  
Utility Valuation Expert for Brentwood  
1010 Adams Avenue  
Audubon, PA 19403-2402

However, the Borough respectfully reserves its right to call additional witnesses, if necessary, and agrees to notify Judge Dunderdale and the parties promptly should the Borough determine that any additional witnesses must be called. Furthermore, should the Evidentiary

Hearing take place in-person, the Borough respectfully requests that its witnesses be permitted to testify remotely.

**VI. Litigation Schedule**

In accordance with the Prehearing Conference Order, p. 5, the parties jointly proposed a litigation schedule prior to the Prehearing Conference.

Respectfully submitted,

/s/ Thomas Wyatt

Thomas Wyatt, Esquire (PA I.D. 89342)  
Matthew S. Olesh, Esquire (PA I.D. 206553)  
Sydney N. Melillo, Esquire (PA I.D. 328031)  
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*Counsel for the Borough of Brentwood*

Dated: October 13, 2023